ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

6450 Cecil Avenue, St. Louis, Missouri 63105

June 3, 1987

Mr. John R. McCusker
Department of History
University of Maryland
College Park, MD 20742-7315

Dear John:

In accordance with our telephone conversation, I am sending you under separate cover the second edition of the Early Paper Money of America. If you want to make notations on this copy, that may be more convenient than writing out your suggestions. I told you that a third edition of this work was now more or less agreed to by a publisher and that I would greatly appreciate any suggestions you have for classification, additions or corrections. Please do not hold back any thoughts for improvement.

I will naturally acknowledge the assitance of yourself and others and you and the university will each receive a copy of the third edition when it is ready. It was a pleasure to talk to you.

Sincerely,

Eric P. Newman

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UNIVERSITY OF MARYLAND
College Park, Maryland 20742-7315

Department of History

John J. McCusker
Professor of American Economic History

(301) 454-3795

3-794 8795 NL

7 September 1987

Mr. Eric P. Newman
6450 Cecil Avenue
St. Louis, Missouri 63105

Dear Eric:

It was good to talk with you on 1 June and to get your letter of the 3rd. Your own book arrived shortly thereafter. I trust that the (paperback) copy of my own and Rus Menard's book reached you safely about that same time.

Please forgive the delay in getting back to you with these comments. I hope that they will be useful none-the-less.

As you may imagine, my comments are more about your introductory materials and about your bibliographies that about the more technical matters in the book for which you are a far greater authority that I could even pretend to be. Moreover I have to say as well that some of the issues that I pick up on are points of dispute among historians and, now, economists who see in the subject of colonial monetary policy support for current debates. I will try to make clear what some of them are and not load you down with interpretations that are simply developed from my own "world view."

You may wish to know at the start that two young monetary theorists have begun to turn the area of colonial paper money into something resembling a battleground. Sometimes generating more heat than light, they have tried to find in the relationships among the policies behind the successive issues of paper money and in the effects of paper money on the supply of money and, therefore, on the various colonial economies generally, patterns that lend credence to modern policy arguments. I confess not being able always to follow every twist and turn of what they are trying to do but each has contacted me regularly for information and support. I try to keep my distance in terms of taking sides in their debate but am happy to answer what questions I can. Both of them know of your book and have used it. They may, one or both of them, have tried to contact you. I refer to Prof.

Bruce Smith and Prof. Ron Michner. You may want to know about and, perhaps, to read some of what they have written. A handy summary of the arguments can be found in Bruce D. Smith, "Some Colonial Evidence on Two Theories of Money: Maryland and the Carolinas," *Journal of Political Economy*, XCIII (1985), 1178-1211. See also his "Money and Inflation in Colonial Massachusetts," *Federal Reserve Bank of Minneapolis Quarterly Review*, VIII (Winter 1984), 1-14.

As a general comment, I personally would have found your book much more useful had you used footnotes to indicate more specifically the sources of statements made in the text. Your bibliographies at the end of each section are certainly very valuable. And, of course, I know that there are considerable pressures, in terms of both time and money, not to use footnotes. But the advent of computerized printing diminishes considerably the old objections from printers. My comment is simply generated by the time I have spent checking several of the items in your bibliography to verify and learn more about something you said when I could have been saved that time had what you said been footnoted.

As for the rest, I will simply list my comments and suggestions in the page order of the book itself.

Page 76, col. 2, line 13, and elsewhere. You will know that I cannot be happy with your exclusion of Bermuda from that list of "early [British] American coins." As Rus's and my book attests, I think that we cannot make full sense about what the colonists did who settled in what *only later* became the United States if we do not advert to what their cousins did in the rest of the British colonies in the New World. They all lived and worked within the same system. They all attended to what each other did. So must we. Forgive my sermonizing.

Page 7, col. 2, line 5. I don't know how "immature" economic thought or practice were in the eighteenth century. Certainly I wouldn't want to be caught using examples of speculation as signs of immaturity. Speculative bubbles in the stock market still occur; so do depressions following the bursting of such bubbles. One need only recite the case of the Hunt brothers and their own silver bubble earlier in our own decade. Indeed the invention and adoption widely of paper currency in the eighteenth century seems rather the actions of a sophisticated economy in the north Atlantic world.

Page 7, col. 2, line 29. ". . . in seventeenth century America and the entirety of the Western World."

Page 7, col. 2, lines 32-33. This was not a policy adopted by England so much as it was the most efficient way to make international payments. Indeed there were no "policies" as such in this matter at all. The colonists were free to pay for their purchases in any way that they wanted to. Good businessmen, they chose to do it in ways that maximized their own utility. The net effect was, as you said, to draw gold and silver out of the colonies.

Page 8, col. 2, lines 5-7. Not too many historians any longer accept such a class-based explanation of colonial monetary de-

bates if only because they now realize that people were both borrowers and lenders at the same time. The context of that older formulation of what happened in the eighteenth century is now seen to be the overwrought debates over public policy in the 1880s and 1890s.

Page 8, col. 1, line 8-6 from the bottom. What English merchants in fact complained about were colonial laws that allowed colonists either to avoid payment of debts owed English merchants or to repay sterling debts as if they had been contracted in colonial currency. The analogy I draw rests on the use of the same word, "dollar," in both Canada and the United States. You take the point, I'm sure. What English merchants complained about seems rarely to have happened but it did happen and it may have happened more had they not complained. Certainly such measures were debated in colonial legislatures and some laws were passed that allowed for these possibilities.

Page 10, col. 1, line 1, and elsewhere (esp. p. 28). The usual mode of expressing such dates is to use a slash rather than parentheses, e.g. "Feb. 4 1736/37." I recommend it to you.

Page 10, col. 2, lines 22-33. In fact the postal authorities and, later, the customs authorities, did not ship home the silver (and gold). They sold it locally for good bills of exchange which they then mailed home. This was only good economic practice. Indeed the whole business of how "harmed" colonial paper money was by British policies has been under reevaluation. In fact the colonists seemed to have done pretty much as they wanted to in this regard. The key is that the British government did nothing to help and, indeed, actively set out to be unhelpful. This attitude the colonists perceived and it became a grievance. The colonists issued and used paper money almost without regard to British wishes and needs. Rather than hindering the British were perceived as not helping.

Page 11, col. 1, line 1-2. I doubt seriously if there was any more time spent on negotiating such things in Boston or Philadelphia that in London or Amsterdam.

Page 27, col. 1, line 11 from bottom. Wasn't Du Simitiére a Swiss?

Page 130, col. 1, bottom. Are you sure it is "Nathan West." I can only find a Stephen West.

You asked over the telephone that I say something specifically about the tables. I think in a general way that you might want to make clearer the differences between the legal values (or par values) for colonial monies established by law and the fluctuating values established by the market. Thus, for instance, your table in Appendix C is okay in that it shows the changing par values of the piece of eight -- although even that table is somewhat misleading since it may be seen to suggest that the changes recorded there occurred in the years specified. But the inference encouraged by that table that it can be used to compare values of either the colonial paper monies themselves or of any commodities expressed in the colonial monies of account is an incorrectly drawn inference. I do not mean to fault you for this in any way. What you offered there was the only thing you could have offered until I compiled the data in the tables in *Money and*

Exchange. And, indeed, your table and those like it were what inspired me to do that book. Nevertheless, since it is now available, you may want to consider replacing the table in Appendix C with something like Table 5.2 in *Money and Exchange*.

Simply because no one has taken up the challenge, there is no significant improvement possible to the table in Appendix D except to make clearer what the numbers mean. E.g., the "18.0" under "CC" for Sept. 1779 means what? That 18 dollars in the paper money issued by the Continental Congress were determined after the fact to have been worth 1 Spanish silver dollar (piece of eight) in September 1779? Note, too, that neither Appendix C or Appendix D have any bibliography and that the single reference in the latter has a frustratingly unhelpful "and elsewhere" as the tag line. Where "elsewhere"? You might also want to emphasize the post factum and "official" (therefore nominal) character to these tables.

I presume that you are well aware of William G. Anderson, *The Price of Liberty* (1983). And of the multi-volume edition of the Robert Morris papers. You may wish to write the new editor of the latter, Dr. Elizabeth Nuxoll, to see if she has anything of use to you. You will also want to exhibit an awareness of the Brock thesis and the works of Joseph Ernst both of which are cited in the bibliography of my and Rus's book.

Finally, I have mentioned your name to Dr. Conrad E. Wright of the Massachusetts Historical Society. He and the society are putting together a small catalog of the society's pre-1780 paper money collection. I thought that they should know about you and you about this project. My apologies if such an introduction is redundant.

Thank you greatly for this opportunity of contributing, even if ever so slightly, to the third edition of what can only be described as the most important book on early British American paper money of the twentieth century.

Sincerely,

P.S. I have not sent the copy of your book back to you because I have not marked it up that extensively. If you wish it, I will send it back nevertheless. It is a spare since I already own a copy. Please let me know.

ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

6450 Cecil Avenue, St. Louis, Missouri 63105

September 22, 1987

John J. McCusker
University of Maryland
College Park, MD 20742-7315

Dear John:

Your 7 September 1987 letter was very cooperative and most helpful. The fact that your letter was replete with fine suggestions makes up for any delay in your answer. Thank you.

I have had no contact with Bruce Smith or Ron Michner. I have been corresponding with the Massachusetts Historical Society and the Papers of Robert Morris, both of which recently contacted me.

I did not receive the paperback copy of your book or Rus Menard's which you said you sent or I would have thanked you. Can you send a replacement. You may keep the extra copy of my book you have for notations and if you want to tear out pages for corrective purposes I'll replace the book.

The major point in your letter to me was the lack of footnotes. You recognize that I did this deliberately. There are so many inaccurate writings and so much copying from one reference to another I determined that for brevity I would write the introduction (and it is only intended to be an introduction) without footnotes. I do not use footnotes in the catalog portion either, as this data comes from newspapers, laws, legislative comment, catalogs, lists, counterfeit reports, etc. I do try to create a complete bibliography even though some is not worthy of being listed. I will review what I can do to be of more help to the reader.

As to Appendix C your work has developed so much detail I would like to know if you might wish to prepare an exhibit with your name on it covering the exchange ratios, adding the period from 1781 to 1789. That would perhaps be by year instead of the selective dates I used. Monthly is too detailed for my book except during the Revolutionary War. A year could be averaged or facts nearest year end could be used. It would be an honor to have you do it. I will gladly help if you wish. The Revolutionary War ratios are mostly published by the states and by the national government in later years and I will clarify the numbers as you suggested.

I am glad that my book's beginning (however sketchy) inspired you to write parts of Money and Exchange. My goal was the money itself and like most topics they need related data to be understood.

If you drop me a note, I will telephone and we will talk about the matter. Thank you again.

Sincerely,

Eric P. Newman

EPN/pd

John J. McCusker
University of Maryland
College Park MD 20742-7315

10/1/87

Dear John

I hesitate to bother you with an American token matter but you said you might know someone who would be nice enough to try to locate an item for me. It is very important to an article I am writing.

Copper tokens to pass for one cent were advertised for sale by a Baltimore commission merchant in a Baltimore newspaper a short period before November 17, 1837. I enclose any source which is very sound. Unfortunately there were several newspapers in Baltimore at the time. The date of the insertion should be about September or October 1837, but could be November (prior to the 17th) or August, 1837. It had to be during the suspension of specie payments during the Panic of 1837 and that suspension began in May 1837.

I have asked others to locate it, but little action has resulted. I will give proper credit to whoever is the lucky one. If the finder perchance runs across other comments about metallic token money that would be a welcome extra.

The Pratt Library has microfilm but won't send it on interlibrary loan. Maryland Historical has the original papers I believe but Desmond Kelly has looked from Oct 15 to Nov 17, 1837 in the Baltimore Sun with no success. He would gladly guide someone to their holdings if he is there (once a week I believe). Perhaps you know your way around to find the "last chance" papers.

If it become a burden please don't undertake it. This is not a needle in a haystack but a bump on a log. I hope you can bump into it.

My appreciation for your kindness

Sincerely,

ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

6450 Cecil Avenue, St. Louis, Missouri 63105

Dec 24,1987

John J. McCusker
University of Maryland
College Park, MD 20742 - 7315
Dear John:

I just received permission from my publisher to pay you a modest sum for compiling the value of various Colonial etc. moneys of account in relationship to the Spanish dollar. You will recall that we decided to do it on an annual basis. We talked about the end of the calendar year, the March 25 year, the middle of a year, an average for the year,etc. Please give me your view as to what you think is most practical. Where there was a drastic change during the year selected it could be footnoted to show the change or two parts of the year could be included in the table instead of just one.

It is amatter of importance to go from 1775 through 1789 which is a period not in your prior publications I believe. I can be of help on this.A review of Almanacs of the period could be helpful unless it is otherwise readily available elsewhere.

The amount of the payment we will work out as it is more of an honorarium for your past work.

My best wishes for the new year.

Sincerely,

UNIVERSITY OF MARYLAND
College Park, Maryland 20742-7315

Department of History

John J. McCusker
Professor of American Economic History

(301) 454-3795

21 July 1988

Mr. Eric P. Newman
6450 Cecil Avenue
St. Louis, Missouri 63105

Dear Eric:

I apologize for failing to get back to you before this. It has been a rough six months.

If I can still be of service to you, I am willing to prepare the tables we talked about. I can get them to you as a matter of priority. I simply need to know if you can still use them. Call or write me, please. My new home office telephone number is 1-301-530-4509.

Thank you for your patience.

Sincerely,

ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

6450 Cecil Avenue, St. Louis, Missouri 63105

August 3, 1988

Mr. John J. McCusker
University of Maryland
College Park, MD 20742-7315

Dear John:

It was nice talking to you. As I explained, I am busy writing my revision so it is not too late for you. I am glad you can now proceed.

One figure per year rounded off is adequate. You like an average which may be best. I certainly think we should use the January 1-December 31 year, not the March 25-March 24 year.

I do feel Spanish dollar figures should be side by side with the sterling values as that was the basis for many calculations.

What we do about the period from 1775 to 1787 or 1789 is a problem. There are depreciation tables for most states and the national government for the middle years of the war. What do you suggest? There were no open transactions with England until the war was over and then hard money only for external transactions.

In the 1740-50 period in Massachusetts you could use shorter periods than one year average because of abrupt trends. Maybe that would be helpful but maybe not. Perhaps footnotes for any official revaluation should be added such as Massachusetts undertook in 1750 or the Continental Congress ordered in the 1 for 40 revaluation.

I look forward to hearing from you.

Cordially,

EPN:bv

UNIVERSITY OF MARYLAND
College Park, Maryland 20742-7315

Department of History

John J. McCusker
Professor of American Economic History

(301) 454-3795

22 August 1988

Mr. Eric P. Newman
6450 Cecil Avenue
St. Louis, Missouri 63105

Dear Eric:

Thanks for calling me on the 2d and for the letter you wrote to me the next day.

I enclose what is at least a start toward what I think you want. Please let's talk about it, especially if you have suggestions for improvements, which I hope that you will have. I will be adding some more data in the near future as soon as a couple of books I have ordered arrive. I am delighted to have this opportunity to participate in the revision of your book.

I will want to use these data and these words again myself in other things that I am writing. I think that the best way for me to guarantee that I can do so is to claim copyright on this material. It may complicate things a bit but it is not all that difficult. I can see to it myself if the publishers would rather not do so. May I ask you please to check with them on this?

For future reference, you will want to note that my school mailing address should include mention of the Department of History. It may be more convenient for us both if you use my home office for all mailings except large packages, viz.: 5127 King Charles Way, Bethesda, Maryland 20814-2149.

Sincerely,

ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

6450 Cecil Avenue, St. Louis, Missouri 63105

October 11, 1988

Mr. John O. McCusker
Department of History
5127 King Charles Way
Bethesda, MD 20814-2149

Dear John:

Your letter of 22 August 1988 with a suggested draft of an introduction to exchange matters has not been neglected while I have been modifying my book on Early American Paper Money. I have been confined by my publishers to limited enlargement and I do not know what constraints that may involve. I am adding many illustrations, three indexes, etc., thus, I am not sure how your interesting explanation of exchange history may fit into the pattern. You are in effect creating a separate section using separate footnotes and tables.

Your desire to retain a copyright on what you wrote is understandable but complicates my problem, as I have agreed to turn over to the publishers the copyright on my book after it is published.

I particularly want to continue to use Spanish dollars as the value base and I note you have continued to use only the sterling relationship as in your prior publications.

I'll think about how I will want to handle the matter and contact you further.

Please feel free to publish separately what you wrote if the occasion arises.

Thanks for your cooperation.

Sincerely,

Eric P. Newman

EPN:bv

UNIVERSITY OF MARYLAND
COLLEGE PARK, MARYLAND 20742-7315

Department of History

John J. McCusker
Professor of American Economic History

(301) 454-3795

8 December 1988

Mr. Eric A. Newman
6450 Cecil Avenue
St. Louis, Missouri 63105

Dear Eric:

I received your letter of 11 October in due course and have awaited hearing the results of your further thinking on the subject before doing much more than collect some additional data.

As I am certain must be obvious, I *thought* that we were pretty much in agreement about what I was to do. Thus your dissatisfaction about so many aspects of my section surprised me. You may, of course, do as you wish and, should you desire, simply not use my stuff at all. I hope that you won't take that step. I hope that we can work out an agreement.

Let me address each issue that you raise. What I offered you was indeed a "separate section" but I thought of it as merely an expansion of and a replacement for the separate section that already exists in your earlier editions. Yes, it is somewhat larger. But, no, I don't think of it as too much larger. And, indeed, I think the extra pages worth it since the material is both interesting and valuable. Obviously!

It is always possible to copyright a part of a publication. Your publishers should not make any trouble over this matter. If they do, I can be somewhat flexible . What I want is recognition and the ability to use the material myself without any encumbrance.

Where we do disagree is over what should be the basis of comparison. You want Spanish dollars. I will argue that the more important basis of comparison is the pound sterling. But this is not an insurmountable issue

because the conversion from the pound sterling to the Spanish dollar is an easy one to specify and to accomplish. Anyone who wants to do it can simply multiply the number of pounds sterling by 4.44. No big deal.

I would still like to help out with your new edition. I very much like the idea that people with different expertise should be able to work together. I certainly am a testament to how much someone can learn from your work. Let me hear from you again.

My best wishes to you for the holidays and the new year.

Sincerely,

Mercantile
Money Museum

Mercantile Tower
Seventh & Washington
St. Louis, Mo. 63101
314-421-1819

March 14, 1989

Mr. John O. McCusker
Department of History
5127 King Charles Way
Bethesda, MD 20814-2149

Dear John:

Congratulations on being elected a member of the American Antiquarian Society.

You have not heard from me for a long while because cancer of the colon came my way. They changed my punctuation from a colon : to a semi-colon ; while I was comatose, to extend the period . of my life instead of hyphenating - it. I am now told I am back to normal and I feel marvelous now.

I have finished about 90 % of the revision of my book and plan to modify and clarify the exchange value appendices somewhat and include only simplified data, rather than extensive commentary and year by year detail. Then readers wishing further information could seek your and other source material for the financial history of exchange.

I hope that your research and writing is continuing at full vigor.

Kindest Regards,

Eric P. Newman

ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

6450 Cecil Avenue, St. Louis, Missouri 63105

September 4, 1990

Mr. John J. McCusker
University of Maryland
College Park, MD 20740

Dear John:

Thank you for writing a review of my third edition of **The Early Paper Money of America**. I appreciate your comment and understand your point of view.

I might mention that I do not consider the bills of credit themselves, contemporaneous newspapers, or official laws, proceedings and reports as secondary sources. Records of individual businesses or persons are, as you indicate, more in your specialty. I also rejected much material by prior authors, even though out of courtesy I cited it generally.

As to the use of "America" in the title, I used that as a tribute to Sylvester S. Crosby and mentioned that in various editions. I explained on the title page the scope of the work geographically and chronologically.

Our field is fascinating and I hope you continue to plough it.

Sincerely,

Eric P. Newman

EPN:bv